Form (2)
1224 - ll
21-1-2013

The Myanmar Investment Commission

PERMIT

Permit No. 548/2013 Date 21st, January 2013

The Myanmar Investment Commission issues this Permit under section 10 of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR. HIRONOBU IRIYA

(b) Citizenship JAPANESE

(c) Address LE RAFFINE SUKHUMVIT SOI 31 CONDOMINIUM ROOM NO. 21-A 3/60 SUKHUMVIT 31 KLONGTON NUA, WATTANA BANGKOK 10110.

(d) Name and Address of principal organization TOYO THAI POWER COPORATION PTE., LTD. 10 MARINA BOULEVARD # 39-00 MARINA BAY FINANCIAL CENTER, SINGAPORE.

(e) Place of incorporation SINGAPORE

(f) Type of business in which investment is to be made CONSTRUCTION OF 100 MW GAS FIRED COMBINED CYCLE POWER PLANT (AHLONE) FOR ELECTRICITY GENERATION AND POWER SUPPLY

CERTIFIED COPY

(g) Place(s) at which investment is permitted NO.39, KANNAR STREET, AHLONE POWER PLANT COMPOUND, AHLONE TOWNSHIP, YANGON REGION.

(h) Amount of foreign capital US$ 170.423 MILLION

(I) Period for bringing in foreign capital 3 (THREE) YEARS

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 170.423 MILLION

(k) Permitted duration of investment 30 YEARS

(l) Name of the economic organization to be formed in Myanmar TOYO THAI POWER MYANMAR CO., LTD.

For Chairman
(Aung Naing Oo)
Secretary

Sd

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Chairman
The Myanmar Investment Commission

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-754/ 2013(1224. U)
Dated : 21st January, 2013.

Tel: 67-06334,406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Gas Fired Combined Cycle Power Plant (Ahlone)" under the name of "Toyo Thai Power Myanmar Co.,Ltd."**

Reference: Ministry of Electric Power Letter No.1, La Sa (MIC)/(9941/2012) Dated (29-11-2012).

1. The Myanmar Investment Commission, at its meeting (1/2013) held on (2-1-2013) had approved the proposal for investment in "Construction of 100 MW Gas Fired Combined Cycle Power Plant (Ahlone) for electricity generation and power supply " under the name of "Toyo Thai Power Myanmar Co.,Ltd." submitted by "Toyo-Thai Power Corporation Pte Ltd." 95% from Singapore and "Toyo Thai Corporation Public Co., Ltd." 5% from Thailand as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions of the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 33 (thirty-three) years commencing from the date of signing of the Power Purchase Agreement. Including three (3) years construction period.

4. The annual rent for the land of No.39, Ahlone Power Plant Compound shall be US $ 25,000 (United States Dollar twenty-five thousand only) calculated at the rate of US$ 1per square meter per annum on the land area of 25,000 square meter. The rental fees shall be paid starting from the commercial operation date of the gas fired combined cycle power plant until the expiration of lease period.

5. The tariff shall be at the rate of US $ 13.31 cents/kWh calculated, based on the total price of US $ 10.4/MMBTU.

6. Toyo Thai Power Myanmar Co.,Ltd. shall supply free of charge seven percent (7%) of the net electricity generated by the Power Plant during the concession period to Ministry of Electric Power.

7. Toyo Thai Power Myanmar Co.,Ltd. shall abide by existing laws and regulations of Myanmar and especially rules and regulations for electricity generating services to be enacted by the related Union Ministry and/or Government of the Republic of the Union of Myanmar.

8. In issuing this "Permit," the Commission has granted ,amongst the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project;

(a) As per section-21(a),exemption from income tax up to 36 (thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, following a 5-years tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 5 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

9. Toyo Thai Power Myanmar Co.,Ltd. shall have to sign the Land Lease Agreement with Myanmar Electric Power Enterprise. After signing such Agreement, (5) copies shall have to be forwarded to the Commission.

10. Toyo Thai Power Myanmar Co.,Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

11. Toyo Thai Power Myanmar Co.,Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been

commenced within one year from the date of issue of this "Permit" it shall become null and void.

12. The commercial date of operation shall be reported to the Commission.

13. Toyo Thai Power Myanmar Co.,Ltd. shall endeavour to meet the targets for power supply stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Toyo Thai Power Myanmar Co.,Ltd. shall have to consult with Directorate of Labour, Ministry of Labour. Employment and Social Security for appointment of such foreign experts and technicians.

15. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency.

16. Whenever Toyo Thai Power Myanmar Co.,Ltd. brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)] .

18. Toyo Thai Power Myanmar Co.,Ltd. shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

19. Toyo Thai Power Myanmar Co.,Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

20. Toyo Thai Power Myanmar Co.,Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

21. Toyo Thai Power Myanmar Co.,Ltd. shall conduct Initial Environmental Examination (IEE) process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with this EMP.

22. Toyo Thai Power Myanmar Co.,Ltd. shall conduct Environmental Impact Assessment (EIA) process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with this EMP.

23. Toyo Thai Power Myanmar Co.,Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 13 of the Procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

MR. HIRONOBU IRIYA
TOYO THAI POWER MYANMAR CO., LTD.

c/o **Director General**

Department of Electric Power

cc: 1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Mines
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Director General, Environmental Conservation Department
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)